

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7350

BILL NUMBER: HB 1254

NOTE PREPARED: Mar 5, 2004

BILL AMENDED: Mar 4, 2004

SUBJECT: Drivers Licensing Matters.

FIRST AUTHOR: Rep. Robertson

FIRST SPONSOR: Sen. Merritt

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill:(1) allows the Bureau of Motor Vehicles (BMV) to adopt rules to comply with federal requirements concerning background checks for an individual seeking a hazardous materials endorsement for a Commercial Driver's License (CDL);

(2) specifies that a learner's permit holder who: (A) is less than 18 years old and holds a validated permit; or (B) is enrolled in an approved driver's education course; may drive a motor vehicle when the seat beside the driver's seat is occupied by a stepparent of the permit holder who holds a valid operator's license;

(3) permits a licensed Commercial Driver training school to conduct classroom training in a county outside the county in which the school is located.

(4) revises the definition of approved motorcycle driver education and training course to include a course offered by a new motorcycle dealer

Effective Date: Upon passage; July 1, 2004.

Explanation of State Expenditures: (1) Adopting the rules will have no fiscal impact on the BMV. However, there will be costs associated with the implementation of the rules to comply with the federal requirements concerning background checks. Below is a table which shows the estimated costs for this effort:

Item	One-Time Expense	Annual Expense
IT cost for integration with STARS and TSA	\$800,000	
Ten fingerprinting machines	\$250,000	
Related Equipment	\$137,125	
Furniture	\$65,000	
Personnel		* \$846,403
Building Rental		\$320,000
Skills Test Equipment		\$63,800
Telephone & Data Lines		\$72,000
Estimated Total	\$1,252,125	\$1,302,205

* Includes seven temporary Manpower positions, totaling \$201,096.

The Unisys Corporation, the contractor for the BMV for this effort, has estimated the start-up costs will amount to \$1.25 M, which includes \$800,000 in the first year for IT costs of integration of the BMV STARS system (State Tracking And Record System) with that of the Transportation Security Administration, along with \$250,000 for ten fingerprinting machines. An additional \$1.3 M is estimated as an annual expense. These costs appear in the above table. The funds affected are the Motor Vehicle Highway Account (MVHA) for the BMV, Motor Carrier Regulation Fund for the Motor Carrier Services Division of the Department of Revenue, and possibly federal funds.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. In FY 2003, the BMV reverted approximately \$3.3 M in total, with approximately \$3.2 M for their main operating account, while the Motor Carrier Services Division reverted \$793, and transferred \$405,257 to the Indiana State Police. The staffing report for January 29, 2004, reveals that the BMV had 49 vacant positions with budgeted salaries totaling \$1,064,388, while the Department of Revenue had 124 vacant positions with budgeted annual salaries amounting to \$3.5 M.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: The Motor Carrier Services Division of the Department of Revenue reports that there will be a \$29 fee charged for the fingerprinting of those seeking a hazardous materials endorsement. There are approximately 57,000 CDLs in the state currently. The CDL is a four-year license. Revenue will depend upon the number seeking the hazardous materials endorsement.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Motor Carrier Services Division of the Department of Revenue.

Local Agencies Affected:

Information Sources: Jim Poe, Director of the Motor Carrier Services Division of the Department of Revenue, (317) 615-7201; Marilyn Cage, Director of Legislative Affairs for the BMV, (317) 233-1218.

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